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Warehouse-man's Sample-Lot Inspection Service

Questions and Answers

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The Warehouseman's Sample-Lot Inspection Service was established by the U.S. Department of Agriculture in 1971. Under this service, employees of elevators and warehouses may be licensed by USDA to obtain official samples of grain for official inspection under the U.S. Grain Standards Act. The Grain Division of USDA's Agricultural Marketing Service has overall responsibility for the service. To distinguish this service from other grain inspections, a yellow certificate is issued when the inspection is based on a warehouseman's sample.

This pamphlet explains how the "yellow certificate" service operates.

1. What is the purpose of the Warehouseman's Sample-Lot Inspection Service?

The service makes official lot inspections more available. Applicants with approved diverter-type mechanical samplers can now obtain official lot inspections regardless of where the applicants are located. The service also encourages better sampling because diverter-type samplers will consistently obtain more representative samples than other known methods.

2. How are responsibilities shared under the Warehouseman's Sample-Lot Inspection Service?

Warehousemen have the responsibility of determining that the diverter-type mechanical samplers operate correctly and that the USDA-licensed employees of the grain elevators and warehouses obtain, handle, and submit samples for inspection in a proper manner.

Official Grain Inspection Agencies have the responsibility of checktesting the diverter-type mechanical samplers, inspecting the grain samples, and issuing yellow inspection certificates. The yellow color distinguishes these certificates from certificates representing other kinds of inspection services.

AMS' Grain Division has the responsibility of authorizing the use of the mechanical samplers, licensing competent warehouse and elevator employees to operate the mechanical samplers, and coordinating sampling and inspection activities.

3. What other kinds of grain inspection services are available?

Two other kinds of services are available:

Official Sample-Lot Inspection—samples are obtained by USDA-licensed employees of official grain inspection agencies. White inspection certificates are issued by the agencies for this type of service.

Submitted Sample Inspection—samples are obtained by personnel not officially licensed by USDA. Pink certificates are issued by official grain inspection agencies for this type of service.

4. For what types of shipments can warehouseman's sample-lot inspection (yellow) certificates be issued?

Yellow certificates may be issued for all types of *domestic* shipments regardless of the type of carrier. They may also be used for local bin lot inspections. They do not meet the inspection requirements for export shipments that are sold, offered for sale, or consigned for sale by grade. Only official sample-lot inspection (white) certificates meet these requirements.

5. Who determines which kind of inspection service is used for domestics shipments?

The inspection of domestic grain shipments is voluntary; therefore, the buyer and seller make this determination.

6. How may the Warehouseman's Sample-Lot Inspection Service help a grain elevator operator?

It may:

- Make official inspection services more available, especially at outlying points, on both inbound and outbound grain.
- Make inspections more timely and more useful. In many instances, inspection results will be known before the grain is shipped.
- Reduce inspection and transportation costs and delays in shipment. Grain can be shipped directly to the ultimate buyer without holdovers for inspection.
- Expand market alternatives. Yellow certificates can be submitted to various market outlets for the best price.
- Provide more meaningful information for binning and quality control because diverter-type mechanical samplers, when properly installed and operated, will consistently obtain more representative samples than other sampling methods.

7. What features of the service might discourage its use?

Some features that might discourage its use are:

- the costs of installation and upkeep of mechanical samplers;

- the possible difficulty of getting samples to, and inspection information from, an official inspection agency in a timely manner;
- changes in the condition of the grain after sampling;
- reluctance by some segments of the grain industry to trade on the basis of yellow certificates until they become more familiar with the service:
- abuse by users of the service; and
- lack of proper supervision by the grain industry.

8. What are the costs for this service?

The costs may vary by location but will include:

- Installing an approved diverter-type mechanical sampler. Prices can be obtained from distributors of diverter-type mechanical samplers.
- Having an official inspection agency check-test the sampler, train the warehouse employee to operate the sampler and submit samples in an approved manner, and make periodic review visits. Fees and charges can be obtained from the local inspection agency.
- Having a licensed warehouse employee operate the mechanical sampler and prepare and submit the samples for inspection.
- Inspecting and certificating the grain in the warehouseman's samples. This cost can be obtained from the local inspection agency and should be about the same as for a submitted sample inspection (pink certificate). The cost will not include sampling.

9. What may a warehouseman do if he is dissatisfied with the inspection results shown on a yellow certificate?

He may request a reinspection or an appeal inspection. A reinspection is a review inspection performed on a sample by an official inspection agency. An appeal inspection is also a review inspection but it is made by USDA employees. An appeal inspection can be reviewed further by requesting a board appeal by the Board of Appeals and Review (Grain) in Beltsville, Md.

10. What is the procedure for requesting reinspections and appeal inspections on yellow certificates?

A request for a reinspection should be made to the inspection agency that issued the original yellow certificate.

An appeal inspection can be obtained either on the original yellow certificate or on a reinspection yellow certificate. Requests for appeal and board appeal inspections must be confirmed in writing on form GR-202, Application for Appeal Inspection or Board Appeal Inspection. The form should be submitted to the Grain Division field office which supervises the official inspection agency that performed the original inspection or the reinspection. (For locations of field offices, see below.)

Reinspections and appeal inspections involving yellow certificates will, in all instances, be based on file samples retained by the official inspection agencies.

11. How can a warehouseman have one of his employees licensed under this service?

This and other information is available from official grain inspection agencies and from Grain Division field and regional offices. To find out which field office or official inspection agency is nearest you, write or call one of the following:

Northern Regional Director, Grain Division
Agricultural Marketing Service, USDA
536 S. Clark St., Room 900
Chicago, Ill. 60605
Telephone: (312) 353-4416

Southern Regional Director, Grain Division
Agricultural Marketing Service, USDA
Room 13037, Federal Office Building
701 Loyola Avenue
New Orleans, La. 70113
Telephone: (504) 527-2914

Grain Division
Agricultural Marketing Service, USDA
6525 Belcrest Rd.
Hyattsville, Md. 20782
Telephone: (301) 436-8741

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